



## WEATHER UPDATE

**Salinas** - Sunny to partly cloudy for the upcoming week with highs in the 70s and lows in the 50s. **Oxnard** - Mostly sunny with highs in the 80s and lows in the 60s. **Mexico (Culiacan)**- Partly cloudy with thunderstorms; highs in the 90s and lows in the 70s for the next week. **Florida, Southern**– Storms and clouds fill the forecast with highs in the high 80s and lows in the 70s. **Idaho** - Mostly sunny for the upcoming week with some wind; highs in the 90s and lows in the 50s.

## TRANSPORTATION

The National Diesel Average has been recorded at \$3.239 down \$0.004 a gal from last week and up **\$0.793** gal from last year. NPC continues to monitor and track diesel fuel averages by state as well as reported truckload freight rates on a weekly basis. **Remember Rail is an option!** Transportation continues to work through its most significant structural changes in years in regards to new laws and regulations stressing available truck volume and controlling drivers. Trucks are pretty tight in SC, NC & NM with a slight shortage across the rest of the country.

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## MARKET ALERT

**Lemons**  
**Oranges**  
**Asparagus**  
**Corn**  
**Bell Peppers**  
**Brussels Sprouts**

# MARKET OUTLOOK



## Apples



QUALITY  SUPPLY 

Apple supplies remaining up 11% or so compared to last year (19 million remaining, compared to 17 million remaining last year.. Red delicious supplies are down substantially (-4 million cases), granny supplies are up substantially (+4.5 million cases). Movement overall has been below target, mostly due to the focus shifting from apples to summer fruits, and on the packing side to packing cherries. We anticipate carrying red delicious, granny, fuji, gala and honeycrisp to new crop (no gap).

## Asparagus



**MARKET ALERT**

QUALITY  SUPPLY 

Availability is better this week and we are starting to see market prices reflecting that. Overall quality is good.

## Avocados



QUALITY  SUPPLY 

In Mexico, old crop continues to decrease each week as many wait to start harvesting the Loca crop. The avocado market has continued to remain tight on smaller sized fruit. 48ct. avocados are still the best supply. The fruit is running extremely fast due to the late season which will cause fruit to not last as long on the shelf. Quality has remained in good in California as volume will start tapering down over the next couple of weeks. We are seeing California avocados peaking at 48ct./60ct. sizes. California had extreme heat in a few areas, this could possibly force to finish earlier than they expected. Some ranches are experiencing fruit dropping from trees, due to the heat. The Peru season is still going strong with over 10 million pounds expected over the next few weeks. The volume will continue to rise each week until August when it is expected to start decreasing. Overall, the quality is being reported as good.

## Bananas



QUALITY  SUPPLY 

This week we received a reduction in volume based upon poor weather in the tropics. This has caused no major issues in the market since demand is down as well as next week. Weather will be correlated to another reduction in total supplies but again this should cause no major impact since market demand is still down. Week 31, volumes should get back to normal with demand starting to improve Week 22.

## Berries



QUALITY  SUPPLY 

**Blueberries:** Availability steady. Good production out of the Eastern growing areas; Michigan and New Jersey. Pricing steady. Oregon, and British Columbia also good quality and supplies. Georgia finished earlier than usual. Good promotional time for Blueberries! **Blackberries:** Quality and supplies have improved. Prices steady. **Raspberries:** Quality and supplies have improved. Prices steady.

# MARKET OUTLOOK

## Broccoli



Supplies continues to be steady this week. The demand has been good and the market is a holding steady. **Central Mexico:** Supplies continue to be light because we are selective due to the quality in the fields. The demand is good and the market is steady.

**MARKET ALERT**

## Brussels Sprouts



Supply has increased as Salinas has started but it is still not covering the amount of demand and prices remain up.

## Cauliflower



Cream white color, supplies remain steady and demand is flat.



Cantaloupe production is in full swing right now with good supplies of 9/12s. Smaller cantaloupe (15/18s) have been very limited so far since the transition to the Westside District. The heat in California has pushed some fields due next week forward into this week which may allow for the market to stabilize itself by late next week or by the week of 7/30. The external quality of the cantaloupes have had good size and color while the internal quality, as you can see from the picture below, have shown excellent brix levels and flavor profiles.

## Cantaloupes



## Carrots



Overall market is somewhat limited as California is the only growing region currently. Our yields and quality are solid and should remain that way. Colorado and Canada should be starting soon which will increase the overall supply in the market. Once they will start shipping product we will have a better idea of what their crop looks like and what overall market conditions will be.

## Celery



Supplies are much lighter this week. Markets are still good. Our forecast for the next two weeks still shows close to planned volume, but demand seems much better. Quality is good in Salinas. The Final Pack looks really nice. We expect sizing to be heavier to the larger sizes all week in Salinas. It does sound like there will be average numbers for the industry next week. Michigan celery has started, but We are hearing the quality is just fair at best.

**MARKET ALERT**

## Corn



Plenty of Bicolor and white corn available, most growers are now picking yellow corn out of Michigan, Delaware and New York. Overall quality is good.

# MARKET OUTLOOK



## Cucumbers



**WEST-** Baja's production has started to increase, in part, due to some really nice weather. With a few more growers still to start up, we expect volume to at least remain steady or possibly increase next week. **EAST-** The East has a different situation with not much product around. Michigan has been very slow to come with volume and most local deals have minimal volumes.

## Eggplant



**WEST-** California's Fresno area continues to harvest fresh eggplant fields with firm, dark, and polished fruit. Although quality remains nice, production will decrease as they move toward the end of the season. The Stockton/Lodi area will get underway within the next 7-10 days so no significant gap is expected. **EAST** - Eastern markets have adequate volumes as well, with SC, NC, NJ and several local programs in the mix.

## Grapes



Currently harvested are Flames, Sugraones and Summer Royals this week in Arvin. Good quality and promotable volumes are available. Excellent sizing and brix are being reported also.

## Green Beans



**EAST-** Eastern bean supply continues to be snug this week as the active growing areas (VA, TN, MI, NJ) are taking turns with production gaps and quality concerns. **WEST-** Supply is solid in the West with 5 different areas in CA expecting good numbers for the next several weeks.

## Herbs



Seeing good quality and supply across the board.

## Honeydews



Honeydew production has been very strong with some growers while others remain limited with very manageable numbers. Sizing has been mostly in the 6/8ct range with larger fruit being fairly limited so far. We believe the market on the dewes should remain steady over the next 10-14 days. Quality, as with the cantaloupe, has seen some very good brix levels over the past week.

# MARKET OUTLOOK

## Iceberg



QUALITY  SUPPLY 

Lettuce supplies are slightly lower than budget. Demand is up slightly. Forecasted market is to be a little more active going into the weekend. Suppliers started the week with basically zero holdover and same day harvest and shipments are in place. Quality is nice with an occasional sign of seeder.

## Kale



QUALITY  SUPPLY 

Kale supplies remain abundant with little issues. The market is steady. Quality is good with minimal yellowing, little dehydration, and dark green color.

## Leaf



QUALITY  SUPPLY 

ROMAINE LETTUCE - Supplies are normal. Demand is continues to slowly get better. Quality has been good but with the recent heat wave we are seeing some fringe burn and occasional salt and pepper. Crop Manager is reporting Romaine weights around 34-36 lbs. GREEN LEAF: Supplies are normal. Quality has been good but with the recent heat we are starting to see occasional seeder and light fringe burn. Demand is good. Crop manager is reporting weights around 22-24lbs. RED LEAF: Supplies are normal. Demand is average. Quality is good.

## Tender Leaf



QUALITY  SUPPLY 

Arugula: Product quality is fair due to wind burn and heat damage. Supplies are fair. Cilantro: Supplies are light due to quality. 10 week averages are in-effect. Kale Blends: Quality and supplies are good on kale. Parsley: Parsley quality is fair but supplies are good. Spinach: Product quality is fair due to wind burn and heat damage. Supplies are fair. Spring Mix: Supplies and quality are good.

**MARKET ALERT**

QUALITY  SUPPLY 

## Lemons & Limes



**Lemon's (Extreme)** – Supply is short and getting shorter. Prices are climbing and several growers have invoked “AOG” status. The D2 growing area is where all California lemon supplies come for the summer months. In December when the fruit was growing D2 experienced strong winds causing the fruit to weaken. This same area experienced record temperatures that spike on July 6th and 7th. These weather issues caused the already weak California lemon supply to de-cline and create a lack of viable fruit for packing. Imported fruit has been lighter than forecasted along with quality concerns Mexico is having extreme heat cause a steady supply of larger fruit. As a result, the smaller fruit market is tightening up. Prices have crept up a little but overall holding fairly steady. This trend is expected remain in place for the next few weeks. Fruit quality has been fair to good with some lighter color and smooth skin.



# MARKET OUTLOOK



## Onions



QUALITY SUPPLY

Onions are steady from last week with JBO yellows around \$6, reds around \$11-12, and whites around \$14 out of CA. NM is slightly higher with JBO yellows around \$. Seeing good quality and demand.

**MARKET ALERT**

## Oranges



QUALITY SUPPLY

Strong demand and a light crop with product peaking on larger 88's and 72's with virtually no small fruit. Prices climbing specially on smaller fruit. Situation expected to continue until the new harvest season.

## Pears



QUALITY SUPPLY

D'anjou pears are peaking on 90's and larger. Moderate supplies on 100/110's has the market steady. 120s and smaller are light with a firm market. Bosc pears have a steady market with supplies winding down for the season. Red pears are tight but should last till May. Quality is good on all pears.

**MARKET ALERT**

## Peppers, Bell



QUALITY SUPPLY

**EAST-** Bell peppers continue to be challenging in the East, as we wait for MI to get up and running. There is fruit available in a number of local areas, but no real strong spot of volume at this time. Early crops from the mountains of NC are having some color and quality issues due to poor vegetation. This should improve as growers move into the next set of plantings. **WEST-** Western markets are also snug as production transitions to Gilroy and Fresno and Eastern demand is strong. Look for volume to pick up and ease the situation somewhat next week.

QUALITY SUPPLY

## Peppers, Jalapenos



**WEST-** Chili pepper quality and production will increase out of Baja and California over the next 7-10 days helping to round out supply in the West. There's still some fruit coming from older fields in Mainland Mexico, but quality struggles have minimized orders from this area. **EAST-** In the East, MI has now started some chilies adding to what NC and other local deals have to offer.

## Pineapples



QUALITY SUPPLY

Very light arrivals expected for the next few weeks. This is a result of the traditional production curve. Market prices will adjust accordingly with significant increases expected for the upcoming weeks. Quality of these new arrivals will be exceptional.

# MARKET OUTLOOK



## Potatoes



The market is steady from last week with FOBs around \$12-14. Further into storage quality is heading downhill fast as we finish this season the next 2-4 weeks depending on supplier. North American growers planted 1.373 million acres to potatoes in 2018. That is 7,201 fewer acres than they planted in 2017, a 0.5% reduction.

## Squash



**WEST-** Santa Maria has moved into 2nd plantings and are seeing increases which is, so far, covering demand while Baja works through a 2-3 week gap. **EAST-** In the East, there are some strong spots of production (MI, NJ), as well as plenty of local deals to meet demand. Quality is mostly good, but as always, there are still some spotty challenges with yellow squash scarring.

## Strawberries



Pricing is up as supplies are down. The warmer Central Coast weather has put a damper on yields. Sizing is mostly on the smaller side, 18-22ct range. Stems are still extremely difficult to find right now.

## Tomatoes



**EAST-** Round tomato numbers are increasing in the East as VA, TN, NC and AL move past first picks and get further into crops. TN and NC's crops are running big while VA's fruit is on the small side. However, quality has been nice from all areas. Roma production is also picking up with TN having a few quality challenges, but the strongest numbers. Grape tomatoes are also looking good with some of the best quality coming from VA. Look for volume from NJ, especially on romas, over the next week or so. **WEST-** California's San Joaquin Valley continues to have strong production on rounds and romas but farms are limiting production due to a lack of demand. Quality is varied with more challenges on romas than rounds, but there is nice fruit available. Eastern Mexico expects to have consistent supply through the rest of the month, but Baja is beginning to see volumes dip as some shippers finish up. With Oceanside, CA also in the mix now, Western tomato supply is more than adequate to meet market needs.

## Watermelons



Supplies continued to come in on the strong side with good relative availability from coast to coast. Meanwhile, prices have moderated a bit after the dramatic fall over the prior couple of weeks. Several regions are doing quite well to help offset the shortfall from the weird Georgia crop this year. As we continue to transition into what I like to think of as the fractured part of the season we now no longer have one dominant production center online, but several regional areas that can service their associated markets.



# MARKET OUTLOOK

## **California heat wave prompts lemon shortage**

“High temperatures in California have contributed to a demand-exceeds-supply situation for lemons.

In a Twitter post, FreshPoint recommended its customers switch to limes when possible. On July 18, the U.S. Department of Agriculture reported f.o.b. prices at mostly \$ 41.80-45.80 for cartons of shippers first grade California lemons sizes 95 and 115.

One month earlier, the prices for cartons of shippers first grade California lemons were mostly \$28.80-31.80 for 95s and \$29.80-32.80 for 115s. The USDA commented in its latest shipping point trends report that shipments are light and trading is very active.

As for domestic fruit, California Citrus Mutual president Joel Nelsen said a heat wave in the coastal region this month has brought on ripening much more quickly than usual. Alex Teague, chief operating officer of Santa Paula, Calif.-based Limoneira, said the high temperatures hit around July 7. “There’s been a lot of fruit that’s fallen off the tree,” Nelsen said. “Typically what we do is we harvest the fruit when it’s green and let it ripen under storage conditions ... The fruit on the tail end of the season, it ripens on the tree, turns yellow, and you’re hoping to get it off before the heat adversely affects it. “Well, it didn’t happen this year,” Nelsen said. Zak Laffite, chief sales officer for Delano, Calif.-based Wonderful Citrus, gave a similar account.

“Where growers had tried to extend the season with tree ripe fruit, you can see higher signs of fruit drop in the groves,” Laffite said. “This could affect the overall lemon supply for the next 12 weeks.” He noted Wonderful has less than 20% of its crop still on the tree. “This year’s coastal lemon crop seemed to have more early color or ripening on the tree, which forced us to speed up the rate of harvest between February and May,” Laffite said. “Early color can sometimes represent a higher risk of fruit drop later in the season.”

He estimated that imported lemons account for at least 35-40% of supplies from July to September and said weather has also hampered production in Mexico and Chile. “The overall Mexican lemon crop is expected to be down by 15-20% because of a cold front in December that affected trees in the colder regions of Mexico’s lemon growing regions in the north,” Laffite said. “Chile, on the other hand, is projecting a lemon crop very similar to last season, but their shipments to the U.S. are down by 30% against the same time last season. They haven’t been able to harvest as fast as last season due to rain/weather disruptions and a later crop.”

Nelsen also mentioned that import volumes have not been as large as usual. “It’s coming in, but there’s just not enough fruit available,” Nelsen said. “A lot of people thought Argentine lemons were going to be arriving, and they have not arrived in the volume that was anticipated,” Nelsen said. Nelsen said he expects the shortage to continue until Coachella Valley lemons start entering the market in September. Teague said he expects tight supplies until mid-September for small sizes and until October for big sizes.

The company is currently sourcing fruit from California, Chile, Argentina and Mexico and will roll into the California-Arizona desert region by the end of August. Full supply from that area will not be available until the end of September, however.”

[Link To Story](#)

If you have any specific questions or concerns on any commodities not mentioned in this report, please feel free to reach out to [dforsythe@nproduce.com](mailto:dforsythe@nproduce.com) and we will be happy to give you those current market conditions. Also look for our Spanish version that will be released on Monday and our Midweek Update released every Wednesday. Have a great week!  
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